

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Teligent Services, Inc. (U-5803-C)
For Authority to Discontinue the Provision Of
Local Exchange and Data Services.

Application 01-08-036
(Filed August 28, 2001)

Emergency Joint Application of Teligent Services,
Inc. (U-5803-C) and TAC License Corp. For
Ex Parte Grant of Authority Pursuant to Public
Utilities Code Sections 851 and 854 Necessary to
Consummate a Chapter 11 “Reemergence” Plan.

Application 01-09-018
(Filed September 7, 2001)

**DECISION DISMISSING TELIGENT SERVICES INC.’S
PETITION FOR MODIFICATION****Summary**

On June 25, 2002, Teligent Services Inc. (Teligent) filed a Petition For Modification of Decision (D.) 01-10-062 requesting that the Commission recognize that Teligent did not utilize the transfer of control authorization granted to facilitate its emergence from bankruptcy protection. Teligent has emerged from bankruptcy without any change in its corporate structure, management or customer service organization. Thus, Teligent states that it will nurture the services it has continued to provide, rebuild its fixed-wireless markets, and introduce new services that the marketplace demands. The Petition is dismissed because alteration of the text of D.01-10-062 is unnecessary since the transfer authorization has expired by law. This consolidated matter is closed.

Background and Discussion

In D.01-10-062, the Commission authorized Teligent to discontinue its provision of interconnected fixed-wireless facilities-based local and data services to its California customers in the Sacramento and San Francisco markets. The Commission also approved Teligent's Plan of Organization (POR) for its eventual emergence from bankruptcy. The plan anticipated Teligent transferring its California operations, assets, Certificate of Public Convenience and Necessity (CPCN) and U-number to newly formed TAC License Corporation (TAC).¹

Teligent advised the Commission that its POR was subject to three conditions precedent: (1) the completion of necessary financing (to both bring the assets and operations out of bankruptcy and to fund ongoing operations thereafter); (2) the conclusion of a Chapter 11 bankruptcy auction whereby other bidders could bid to purchase the assets; and (3) the issuance of a Sale Order to TAC. Ordering Paragraph (O.P.) 2 of D.01-10-062 authorized the transfer, and O.P. 3 directed Teligent to notify the Commission within ten days of the consummation of the transaction.

In September 2002, Teligent officially emerged from bankruptcy protection, in fact, without any change in its corporate structure, management or customer service organization. As it turned out, none of the conditions precedent to Teligent's re-emergence plan was satisfied and the TAC transaction was not able to close. Teligent emerged, along with its 100% parent-holding company, debt free and fully funded for approximately two years under a

¹ The entity was created solely to provide financing to purchase TSI's operations and assets out of Chapter 11.

revised business plan by its current primary secured lenders² as private equity holders. Pursuant to Rule 47 of the Commission's Rules of Practice and Procedure, Teligent seeks to have D.01-10-062 modified³ to recognize that the authorized transfer of control did not occur and the company has emerged from bankruptcy in the same corporate form that it had at the beginning of the process. No party opposed the petition.

D.01-10-062 granted Teligent and TAC one year to complete their POR. Since that time period passed without the transfer, no alteration of the text of the decision is necessary. We recognize herein Teligent's emergence from bankruptcy and its continuation in the same initial corporate form. Since there is no need to modify D.01-10-062 to recognize Teligent's post-decision status, we dismiss the instant Petition and thank Teligent for its diligence in apprising the Commission of its present state of affairs so that we could update the record.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

In this matter, the assigned Commissioner is Commissioner Carl W. Wood and the assigned Administrative Law Judge is Jacqueline A. Reed.

² They are a group of 34 banks and financial institutions led by JPMorgan Chase Bank. None of Teligent's shareholders own or hold a controlling interest in the emerged entity; thus, no single entity acquired control for purposes of the Commission's transfer of control requirements.

³ Teligent filed supplemental information to its Petition on September 25, 2002.

Findings of Fact

1. Teligent did not transfer its operations and assets to TAC because none of the conditions precedent to Teligent's re-emergence plan was satisfied and the TAC transaction was not able to close.

2. Teligent officially emerged from bankruptcy protection in September 2002, along with its 100% parent-holding company, debt free and fully funded for approximately two years under a revised business plan by its current primary secured lenders as private equity holders.

3. Teligent is operating under the same corporate form that it had at the beginning of the consolidated applications resolved by D.01-10-062.

Conclusions of Law

1. Teligent's authorization to transfer its assets and operations to TAC within one year has expired and the transfer did not occur.

2. It is reasonable that Teligent should continue to operate under its original corporate form.

3. Teligent's petition to modify D.01-10-062 should be dismissed since its requested relief does not require any modification of the text of the decision.

4. The decision is uncontested; therefore, it should be effective on the date signed.

O R D E R

IT IS ORDERED that:

1. Teligent Services Inc.'s (Teligent) Petition to Modify Decision (D.) 01-10-062 is dismissed because modification of the text of D.01-10-062 is unnecessary since Teligent's authorization to transfer its assets and operations expired by law.

2. The record, as further developed by this decision, shall reflect that Teligent has emerged from bankruptcy protection and is continuing to operate under its original corporate form.

3. Application (A.) 01-08-036 and A.01-09-018 are closed.

This order is effective today.

Dated _____, at San Francisco, California.